

DDA SUBJECT FILE COPY

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

GSA Proposal Concerning Reimbursable Travel
Expenses for Contractors

FROM:

John M. Ray
Director of Logistics

EXTENSION

NO.

DD/A Registry

87-0705X

DATE

27 March 1987

TO: (Officer designation, room number, and
building)

DATE

OFFICER'S
INITIALSCOMMENTS (Number each comment to show from whom
to whom. Draw a line across column after each comment.)1. EXA/DDA
7D18 Hqs

2/31

3/31

JR

2. DDA
7D18 Hqs

1 APR 1987

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Attached at the request
of the EXA/DDA is a
proposed response from the
DDA to the Commissioner of
GSA concerning a recent
proposal sent from GSA to
the DDA.

John M. Ray

60-2

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John M. Ray

DD/A Registry
87-0705X

Central Intelligence Agency



Washington, D. C. 20505

1987

Mr. Donald C. J. Gray
General Services Administration
Federal Supply Service
Washington, DC 20406

Dear Mr. Gray:

This letter is a response to your letter to me dated 24 February 1987 regarding a General Services Administration (GSA) proposal concerning reimbursable travel expenses for contractors. We generally support the GSA proposal which could indeed provide a significant savings to the Federal Government. This new proposal, however, could present some unacceptable security risks by identifying our contractors with us. Thus, this Agency may not be able to implement the GSA proposal in total, but should use what it can, given the security constraints. In particular, these constraints may preclude us from participating in GSA's expanded access to travel discounts.

In September 1984, the CIA requested and received approval from the Administrator of GSA to contract with commercial travel agents for the procurement of passenger transportation and travel services for official travel. This approval was given on the understanding that travel arrangements negotiated under CIA contracts would comply with the Federal Acquisition Regulations, and reimbursements to contractors for transportation would be limited to actual carrier rates issued to Government travelers for official travel. Under the terms of this special delegation, GSA would not receive any management information regarding Agency travel.

For your information, we have already implemented successful procedures at CIA to reduce the cost of contractor travel, which expanded the application of Government discounts to travel expenses they incur on our behalf. Those procedures which apply to unclassified contracts include authorization, where appropriate, to use Government discount fares, the use of a GTR number, and appropriate contractual provisions for contractor reporting of travel activity and resulting savings.

Mr. Donald C. J. Gray

These procedures are especially attractive because they allow a company to continue its normal travel operations with a minimum of disruption to the contractor and the Government. Agency contracting activities have effectively utilized this procedure for almost two years and have achieved significant savings. For example, travel savings (direct costs only) amounting to several hundred thousand dollars were reported by contractors in 1986. Further cost reductions will be achieved as more and more contracts reflect this process.

Although we are generally unable to disclose the travel requirements of our Agency vendors to GSA or any outside organization, we suggest that GSA keep us advised of progress in this area and we will continue exploring means of reaping savings given our security constraints.

Sincerely,

A rectangular box with a thin black border, used to redact the signature of William F. Donnelly.

William F. Donnelly
Deputy Director of Administration
Central Intelligence Agency

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